



Financial Performance and Market Viability of Globe Telecom, Inc.: An Integrated Fundamental–Technical Analysis

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Abstract

This study provides an integrated evaluation of Globe Telecom, Inc. (PSE: GLO) by combining fundamental and technical analyses to assess its financial performance, market valuation, and investment viability within the Philippine telecommunications sector. Drawing on publicly available financial statements and market data from 2020–2025, with performance indicators current as of April 30, 2025, the research situates Globe’s trajectory amid regulatory reforms, intensified competition, and digital ecosystem convergence through its fintech subsidiary GCash. Results of the fundamental analysis show sustained quarterly revenues averaging ₱45 billion in 2024, underscoring the resilience of telecommunications demand. However, profitability declined as net margins fell below 10 percent, while return on equity and earnings per share softened after 2022. Leverage remained high (debt-to-equity = 2.78; current ratio = 0.62), signaling limited liquidity and elevated refinancing risk. Dividend payouts of ₱25 per share maintained a 5.15 percent yield, but sustainability appears constrained without margin recovery. The technical analysis corroborates a bearish market sentiment: Relative Strength Index (RSI = 24.47) indicated oversold conditions, Moving Average Convergence Divergence (MACD) registered persistent negative momentum, and Bollinger Bands revealed widening volatility near lower support levels. These patterns suggest investor caution and the absence of confirmed reversal signals. Synthesizing both perspectives, Globe emerges as a resilient yet pressured operator—anchored by strong brand equity and fintech integration but challenged by declining profitability and high debt exposure. The study proposes a neutral investment recommendation, advising investors to hold existing positions while awaiting improved financial metrics and positive technical confirmations. For management, the analysis highlights the need for cost discipline, deleveraging, and monetization of GCash; for policymakers, it underscores the importance of regulatory stability to sustain telecom investment.

Keywords: *Globe Telecom, telecommunications industry, financial performance, market viability, fintech integration, fundamental analysis, technical analysis, investment recommendation*

1. Introduction

Over the past decade, the Philippines has experienced a profound digital transformation that reshaped how individuals communicate, transact, and work. At the center of this transformation stands the telecommunications industry, a vital infrastructure enabling education, finance, healthcare, and commerce in an increasingly interconnected economy. As digital technologies permeate daily life, the ability of telecom operators to deliver reliable networks and integrate digital services has become a cornerstone of national competitiveness and economic inclusion (Thim, 2024).

In this context, Globe Telecom, Inc. (GLO) exemplifies the evolution of telecommunications from a traditional connectivity provider to a diversified digital ecosystem. Founded in 1935 as Globe Wireless Limited and restructured in 1992,

Globe has grown into a full-service telecommunications and digital solutions company with leading positions in mobile, broadband, and enterprise connectivity. Its integration of financial technology through GCash, operated by Mynt, has extended Globe’s value proposition beyond communications—transforming it into a digital lifestyle platform that merges connectivity, commerce, and financial inclusion.

Telecommunications in the Philippines is both a growth industry and a public policy priority. The National Telecommunications Commission (NTC) regulates the sector through spectrum management and consumer protection, while government programs such as the National Broadband Plan and Free Wi-Fi for All initiative aim to bridge persistent connectivity gaps. Recent reforms, including the Common Tower Policy and the amended Public Service Act (Republic Act No. 11659), have further liberalized infrastructure sharing and foreign participation, encouraging competition and accelerating capital inflows (Uy, 2022). These shifts

have made the market more open but also more demanding for incumbents who must sustain service quality and financial stability amid intensified scrutiny.

Competition has likewise evolved. PLDT-Smart remains Globe's principal rival, leveraging scale and extensive 5G coverage, while DITO Telecommunity has introduced aggressive pricing and rapid network expansion that disrupted the status quo (Hung, Lee, & Ong, 2023). Competitive interactions now extend beyond call or data volumes to include latency performance, installation lead times, bundled content, and fintech-enabled convenience. This multidimensional competition requires more than capital expenditure; it demands coherent ecosystem strategies that connect technological capacity, customer experience, and brand trust.

Globe's corporate evolution aligns with these imperatives. Its consumer brands—Globe Postpaid, Globe Prepaid, and TM—address distinct market segments, while its enterprise solutions target connectivity and managed ICT services. The strategic integration of GCash represents Globe's most significant differentiator. By embedding fintech capabilities within its network ecosystem, Globe converts the SIM into a wallet, the wallet into a marketplace, and the marketplace into a credit and payments platform. This innovation transforms average revenue per user (ARPU) into a broader lifetime value (LTV) framework that captures both communications and financial behaviors. In a mobile-first, underbanked economy, this synergy strengthens user stickiness and reinforces Globe's brand equity—defined by Aaker (1991) and Keller (1993) as the aggregation of awareness, trust, perceived quality, and loyalty that produces tangible economic value.

Despite these advantages, Globe faces the structural realities of a capital-intensive and highly competitive industry. Network densification, fiber rollout, and 5G deployment require substantial investment, raising depreciation and financing costs. The firm's debt-to-equity ratio of 2.78 and current ratio of 0.62 (as of April 2025) reflect the tension between expansion and liquidity. Profit margins have eroded from 17% in early 2024 to below 10% by year-end, signaling operational pressure despite stable revenues. These financial outcomes mirror global patterns where telecom operators sustain demand but struggle with profitability under heavy capital burdens and price competition (Mansumitichai & Park, 2020; Daraojimba, Mhlongo, & Daraojimba, 2023).

At the same time, the integration of fintech within Globe's portfolio introduces both opportunity and complexity. The success of GCash—recognized internationally as a leading mobile wallet—has enhanced Globe's customer engagement and brand reputation but also raises questions about monetization and regulatory risk. As fintech and telecom increasingly converge, effective governance, cybersecurity, and compliance become strategic necessities (Desta & Amantie, 2024).

Against this backdrop, this study explores a central question: "How does Globe Telecom, Inc. sustain financial viability and competitive advantage amid structural challenges and evolving digital ecosystems?"

To address this, the research integrates industry analysis, fundamental financial evaluation, and technical market assessment—a triangulated approach that captures the interplay between strategic intent, financial realities, and investor sentiment. The fundamental analysis evaluates revenue stability, profitability, leverage, and dividend sustainability using data from 2020–2025. The technical analysis interprets price behavior and momentum indicators—such as RSI, MACD, and Bollinger Bands—to identify market sentiment and trend direction. These complementary perspectives provide a comprehensive view of Globe's operational performance and investment attractiveness as of April 30, 2025.

The significance of this study is threefold. Academically, it contributes to understanding how integrated analyses—combining strategic, financial, and market-based tools—can assess firm resilience in volatile industries. Practically, it offers investors evidence-based insights into valuation and risk. For policymakers, it highlights the critical balance between regulatory liberalization and sector stability in sustaining long-term infrastructure investment.

In sum, Globe Telecom represents the archetype of an emerging-market telecommunications firm navigating convergence: resilient in brand and revenue, yet constrained by leverage and market volatility. Understanding this duality provides lessons for firms, regulators, and investors alike as the Philippine digital economy matures.

2. Review of Literature

The Philippine telecommunications industry has long been defined by its oligopolistic structure, capital intensity, and strategic importance to national development. Scholarly and institutional

studies converge on three enduring themes: the structural configuration of the market, post-pandemic investment and performance dynamics, and the persistent influence of regulatory and political environments on firm behavior and investor confidence.

2.1. Market Concentration and Competitive Dynamics

The Philippine telecommunications sector has historically exhibited a duopolistic market structure dominated by PLDT and Globe Telecom, which together controlled the majority of mobile and broadband subscribers for nearly two decades. Lizares (2018) and Patalinghug and Lizares (2017) describe this structure as both an economic constraint and a policy artifact, where entry barriers—high capital expenditure, spectrum scarcity, and lengthy licensing—discourage new competitors. Jopson and Fabella (2016) further argue that limited contestability suppresses innovation and keeps prices above regional benchmarks, reducing consumer welfare.

The market has since experienced gradual transformation with the entry of DITO Telecommunity, which introduced price-driven competition and catalyzed infrastructure investment. Hung, Lee, and Ong (2023) observe that DITO's arrival altered price elasticity and pushed incumbents toward aggressive 5G deployment. Yet, despite this disruption, the industry remains oligopolistic, with competitive advantages accruing to firms possessing strong brand recognition, distribution networks, and capital access. Uy (2022) emphasizes that such concentration requires regulatory vigilance to prevent tacit collusion and ensure inclusive access.

In the context of strategic theory, these structural characteristics align with Porter's (1980) industrial-organization model, where high entry barriers and capital requirements intensify rivalry among existing players rather than expanding market diversity. For investors, this means returns are shaped less by rapid growth than by the capacity of incumbents to defend market share through differentiation and ecosystem integration—a pattern particularly evident in Globe's fintech strategy via GCash.

2.2. Financial Performance and Post-Pandemic Investment Trends

Despite limited competition, the telecommunications industry demonstrates robust financial fundamentals, with sustained demand for data services and stable cash flows. Lizares (2018)

notes that EBITDA margins in Philippine telecoms have historically remained above 40 percent, reflecting strong pricing power and scale economies. The COVID-19 pandemic accelerated digital adoption, leading to heightened bandwidth demand for remote work, e-commerce, and online learning (Daraojimba, Mhlongo, & Daraojimba, 2023). This surge positioned telecommunications as an essential service and spurred a renewed wave of capital expenditure focused on fiber optics, 5G densification, and digital infrastructure resilience.

However, the post-pandemic rebound also exposed profitability compression. As competition intensified, operators increased promotional spending and subsidies to maintain subscriber growth, while depreciation and financing costs escalated due to ongoing network modernization. Salazar, Yamanaka, and Rosita (2024) used mean-variance portfolio modeling to show that telecom equities in the Philippines maintain moderate risk-adjusted returns when held alongside media and IT firms, but their marginal contribution to portfolio efficiency declines under volatility. This finding underscores the duality of the sector: high strategic importance but diminishing incremental investor gains without operational efficiency.

These patterns are consistent with global telecom trends. Hung et al. (2023) and PricewaterhouseCoopers (2023) report that operators in emerging markets face a “revenue–profitability paradox,” where data traffic grows exponentially but monetization lags due to price competition and regulatory constraints. Consequently, firms that innovate through adjacent services—such as digital payments, streaming, or enterprise cloud solutions—achieve higher resilience. Globe's diversification into fintech through Mynt/GCash exemplifies this shift toward value-added ecosystems rather than pure connectivity revenues.

2.3. Regulatory and Political Dimensions

Regulatory institutions profoundly shape investment outcomes in telecommunications. Esfahani (1994) documented early inefficiencies arising from politicized licensing and regulatory capture in the Philippine telecom sector. Subsequent liberalization in the 1990s improved service quality, but intermittent policy uncertainty persists. The National Telecommunications Commission (NTC) continues to manage spectrum allocation, yet processes often remain opaque and vulnerable to political influence (Patalinghug & Lizares, 2017).

Recent reforms have aimed to address these weaknesses. The Common Tower Policy promotes

infrastructure sharing to reduce capital duplication, while the amended Public Service Act (RA 11659) allows greater foreign equity participation, potentially enhancing capital inflows and competition (Uy, 2022). These policy shifts align with international best practices in liberalization but also introduce transitional risks, as implementation inconsistencies can distort investment incentives.

The literature identifies regulatory risk as a persistent deterrent for both domestic and foreign investors. Mansumittrchai and Park (2020) highlight that uncertainty over spectrum renewals and shifting taxation rules can erode valuation multiples, especially for firms with high leverage. This observation is particularly salient for Globe, whose debt-to-equity ratio remains elevated as of 2025. Sustained regulatory clarity thus becomes a determinant of financial performance as much as operational strategy.

2.4. Brand Equity, Fintech Integration, and Digital Convergence

A growing stream of research emphasizes the strategic role of brand equity and fintech integration in sustaining telecom competitiveness. Aaker (1991) and Keller (1993) conceptualize brand equity as a composite of perceived quality, trust, and loyalty that translates into tangible financial advantages such as pricing latitude and customer retention. In emerging markets, Desta and Amantie (2024) find that customer satisfaction moderates the relationship between brand equity and loyalty, particularly in service industries like telecommunications.

For Globe Telecom, the integration of GCash extends this conceptual framework. The firm's capacity to convert connectivity into financial empowerment positions it within the broader discourse on digital inclusion and the democratization of finance (Globe, 2021; Globe, 2023). The combination of telco infrastructure and financial technology not only diversifies revenue streams but also embeds customers more deeply within the ecosystem, reducing churn and enhancing cross-platform engagement. This echoes the "ecosystem advantage" theory in strategic management, where network effects amplify firm value through interconnected services.

Nevertheless, the success of such integration introduces new governance challenges. Regulatory oversight of fintech operations—particularly data privacy, cybersecurity, and consumer protection—adds compliance complexity. As highlighted by Uy (2022), the convergence of telecom and financial regulation in the Philippines remains nascent,

requiring coordinated policy frameworks to safeguard innovation without constraining growth.

2.5. Synthesis of Literature

The reviewed scholarship reveals a paradoxical environment: the Philippine telecommunications industry is financially robust yet structurally fragile. It offers stable demand and entrenched players but faces margin compression, policy volatility, and accelerating technological change. Within this context, Globe Telecom exemplifies the strategic adaptation of incumbents that seek sustainability through ecosystem diversification and brand-driven differentiation.

Three gaps emerge from the literature.

- a. First, while prior studies (Lizares, 2018; Uy, 2022) assess market structure and policy reform, few integrate financial and technical analyses to capture how these macro factors manifest in firm-level valuation.
- b. Second, although brand equity and fintech convergence have been explored conceptually (Desta & Amantie, 2024), empirical connections to financial performance remain limited.
- c. Third, most post-pandemic analyses (Daraojimba et al., 2023; Salazar et al., 2024) evaluate sector performance in aggregate rather than at the firm level, leaving a gap for company-specific integrated evaluation.

This study addresses these gaps by synthesizing industry review, fundamental financial metrics, and technical market indicators to construct an evidence-based view of Globe Telecom's financial health and market positioning. By anchoring quantitative indicators within contextual analysis, it extends existing literature toward a multidimensional understanding of firm viability in emerging-market telecommunications.

3. Research Objectives

This study aims to evaluate the financial performance, strategic positioning, and market viability of Globe Telecom, Inc. through a combination of industry review, fundamental financial assessment, and technical market analysis. Specifically, it seeks to:

Contextualize Globe's operations within the evolving Philippine telecommunications landscape—identifying key demand drivers, policy

shifts, and competitive pressures shaping firm behavior.

Assess Globe's financial performance from 2020 to 2025, focusing on revenue stability, profitability, leverage, liquidity, and dividend sustainability as indicators of financial resilience.

Analyze valuation and investor sentiment through technical indicators such as MACD, RSI, and Bollinger Bands to interpret short-, medium-, and long-term market trends.

Synthesize fundamental and technical findings to formulate an evidence-based investment stance and strategic recommendations for management and policymakers.

Collectively, these objectives provide an integrated framework for evaluating the viability of telecom operators in emerging markets, bridging quantitative financial diagnostics with qualitative strategic insights.

4. Methodology

This study adopts a mixed-methods research design integrating qualitative and quantitative approaches to provide a comprehensive evaluation of Globe Telecom, Inc.'s performance. The methodology combines industry and strategy review, fundamental financial analysis, and technical market analysis, enabling triangulation between firm behavior, financial outcomes, and investor sentiment. This integrated framework was selected to capture both the structural conditions of the Philippine telecommunications sector and the measurable indicators of Globe's financial and market position.

4.1 Research Design and Scope

The qualitative component situates Globe within its competitive and regulatory environment, focusing on major trends such as the liberalization of the telecommunications sector, the entry of DITO Telecommunity, and the growing integration of financial technology through GCash. This is complemented by a quantitative analysis that evaluates Globe's financial performance and market valuation using publicly available data spanning 2020 to 2025, with all indicators current as of April 30, 2025. The selected timeframe captures both the post-pandemic recovery period and the company's latest investment cycle in fiber and 5G infrastructure.

The scope of the analysis is limited to Globe's Philippine operations and its fintech subsidiary Mynt (GCash), which plays a central role in the

company's ecosystem strategy. While PLDT and DITO are mentioned to contextualize competition, the primary unit of analysis remains Globe Telecom itself. All financial data are denominated in Philippine pesos, reflecting Globe's domestic listing on the Philippine Stock Exchange (PSE).

4.2 Data Sources

The study relies exclusively on publicly accessible and verifiable sources. These include Globe Telecom's annual and quarterly financial statements, SEC Form 17-A filings, and market data from reputable platforms such as the Philippine Stock Exchange, Investagrams, and Simply Wall St. Company press releases, industry reports, and government documents—particularly those from the National Telecommunications Commission (NTC) and the Department of Information and Communications Technology (DICT)—were also reviewed to establish regulatory context. To ensure data integrity, figures from multiple sources were cross-checked for consistency, and ratios such as price-to-earnings (P/E) and price-to-book (P/B) were recomputed to verify accuracy.

4.3 Analytical Framework

The fundamental analysis examines Globe's financial performance across five dimensions: growth, profitability, leverage, liquidity, and valuation. Key indicators include revenue trends, gross and net profit margins, return on equity (ROE), earnings per share (EPS), debt-to-equity ratio, and current ratio. Dividend levels and yields were reviewed to evaluate payout sustainability. Valuation measures—particularly P/E and P/B ratios—were analyzed historically to determine whether the stock was over- or undervalued relative to earnings and book value. In addition, a P/E sensitivity model was constructed to illustrate how potential price changes ($\pm 50\%$) could affect valuation multiples under constant earnings assumptions.

The technical analysis assesses market sentiment by examining short-, medium-, and long-term price behavior using standard indicators. These include the Moving Average Convergence Divergence (MACD) to capture momentum, the Relative Strength Index (RSI) to measure overbought or oversold conditions, and Bollinger Bands to visualize volatility and potential reversal points. Complementary measures such as the Average True Range (ATR), support and resistance levels, and volume patterns were interpreted to contextualize risk and confirm trend direction. All parameters (e.g., MACD 12-26-9, RSI 14, Bollinger 20-2) follow conventional technical analysis standards to ensure replicability.

The synthesis of these two quantitative approaches enables a multidimensional interpretation of Globe's position. Fundamentals reflect the company's intrinsic value and operational resilience, while technicals reveal prevailing investor sentiment and price momentum. Divergences between the two—such as stable revenues but bearish price action—are analyzed to infer whether market perceptions align with underlying fundamentals.

4.4 Data Treatment and Quality Controls

Data were processed chronologically, with quarterly financial results aligned to corresponding market periods. Consistency checks ensured that P/E and P/B ratios reconciled with reported prices, earnings, and book values. Outliers—such as abrupt changes in profitability—were examined for contextual explanations (e.g., extraordinary expenses or accounting reclassifications). For transparency, all ratios and indicators are derived from public datasets available to investors, avoiding any proprietary or insider information.

4.5 Validity, Reliability, and Limitations

Methodological rigor was maintained through construct validity, reliability, and triangulation. Each objective of the study corresponds directly to measurable indicators presented in figures and tables, minimizing inference gaps. Standardized indicator parameters guarantee comparability across analytical tools, while cross-verification from multiple data providers strengthens reliability. Triangulating financial, valuation, and technical data reduces bias and enhances robustness of conclusions.

Nevertheless, certain limitations are acknowledged. The study uses aggregated dashboard-level data rather than granular segment reports, limiting the precision of profitability attribution across business lines. Causality between corporate events and market reactions cannot be fully isolated due to concurrent market factors. Peer-level benchmarking—such as enterprise-value-to-EBITDA comparisons—is discussed qualitatively rather than computed in detail. Lastly, the P/E sensitivity grid assumes constant earnings, whereas actual valuations are influenced by future performance and macroeconomic conditions.

4.6 Analytical Logic

The final stage of analysis involves integrating the findings from the three lenses—industry context, fundamental metrics, and technical trends—to formulate an investment interpretation. The logic follows a conditional framework:

- A bullish outlook would require improving margins, deleveraging, and corroborating positive technical momentum (e.g., RSI normalization, MACD bullish crossover).
- A bearish outlook would be confirmed by continued margin compression, liquidity strain, and persistent negative momentum.
- In the absence of either signal, a neutral stance is warranted, consistent with Globe's current market posture.

Through this method, the study achieves both descriptive depth and analytical precision, enabling replication while maintaining narrative coherence. The approach adheres to standards for methodological transparency and academic rigor, providing a reliable basis for the subsequent presentation and discussion of results.

5. Results

5.1 Company Profile and Market Overview

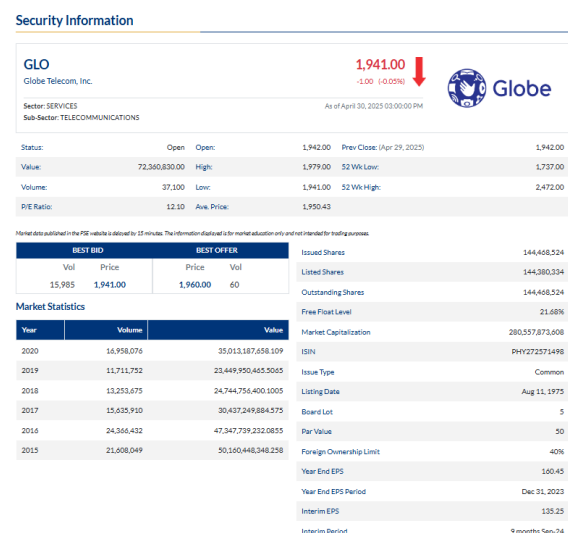


Figure 1. Security Information for Globe Telecom, Inc.

Globe Telecom, Inc. (GLO), traded on the Philippine Stock Exchange under the symbol GLO, closed at ₱1,941 on April 30, 2025, representing a marginal 0.05% decline from the previous trading day. The company's market capitalization stood at approximately ₱280.56 billion, with a free float of 21.68%, indicating a moderate degree of share availability in the public market. Trading volume on the same day reached 37,100 shares, with an average transaction value of ₱72.36 million and a price-to-earnings (P/E) ratio of 12.10, signaling modest investor confidence consistent with the stock's mid-range valuation among telecommunications peers.

Officers	
President and Chief Executive Officer	Ernest L. Cu
Deputy Chief Executive Officer	Carl Raymond R. Cruz
Chief Financial Officer, Treasurer and Chief Risk Officer	Juan Carlo C. Puno
Chief Human Resource Officer	Renato Manuel M. Jiao
Chief Transformation and Operations Officer and Chief Customer Experience Officer	Rebecca V. Eclipse
General Counsel	Vicente Froilan M. Castelo
Chief Compliance Officer, SVP - Legal and Compliance, and Assistant Corporate Secretary	Marisalve Ciocson-Co
Chief Commercial Officer	Darius Jose R. Delgado
Chief Sustainability and Corporate Communications Officer	Maria Yolanda C. Crisanto
Chief Information Officer	Raul M. Macatangay
Chief Audit Executive	Carmeli Pauline M. Briones
Corporate Secretary	Maria Franchette M. Acosta

Figure 2. Executive Officers of Globe Telecom, Inc.

As of the 2025 reporting period, Globe’s leadership remains under Mr. Ernest L. Cu, President and Chief Executive Officer, supported by an experienced management team overseeing both telecommunications operations and digital ventures.

Contact Information
Business Address The Globe Tower, 32nd Street corner 7th Avenue, Bonifacio Global City, Taguig
Telephone No. (632) 7730-2000
Fax No. (632) 7739-0072
Email Address ir@globetel.com.ph
Company Website http://www.globe.com.ph

Figure 3. Contact Information of Globe Telecom, Inc.

The company maintains nationwide operations with over 57 million mobile subscribers, 1.8 million home broadband clients, and 828,000 landline users, reflecting its established dominance in multiple connectivity segments. Its subsidiary network—including Innove Communications, Bayan Telecommunications, Asticom, Yondu, and Electronic Commerce Payments, Inc.—supports diversification into ICT services, digital platforms, and shared infrastructure ventures.



Figure 4. Stock Chart of Globe Telecom, Inc. from PSE

Overall, Globe’s corporate and market profile demonstrates a mature operator characterized by broad coverage, stable customer base, and an evolving digital ecosystem that blends traditional telecommunications with fintech and enterprise solutions.

5.2 Stock Performance and Historical Trends

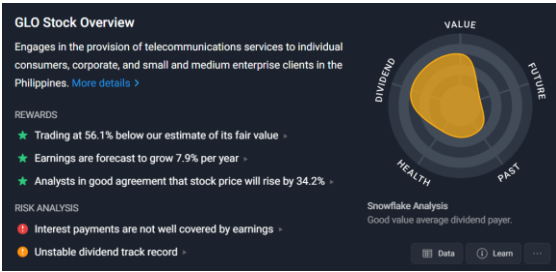


Figure 5: Stock Overview of GLO from Simply Wall St. (2025, April 30)

Data from Simply Wall St. indicate that Globe’s stock performance throughout 2024–2025 exhibited relatively stable valuations despite moderate volatility.



Figure 6. Price History & Performance of GLO from Simply Wall St. (2025, April 30)

Over a three-year horizon, GLO’s share price fluctuated between ₱1,699 and ₱2,588, settling at ₱1,941 at the end of April 2025. The pattern suggests cyclical corrections typical of a capital-intensive industry where investor sentiment often tracks quarterly earnings and dividend declarations. The price trend is punctuated by events such as dividend issuances and strategic disclosures, which serve as minor catalysts within an overall sideways-to-declining trajectory.

5.3 Financial Performance and Profitability



Figure 7. Historical Financial Performance of GLO from Investagrams (2025, April 30)

The company's financial data for 2020–2024 reveal consistent quarterly revenues averaging ₱45 billion in 2024, underscoring Globe's revenue resilience amid shifting consumer behavior and intensifying competition. However, net income declined in the latter quarters of 2024, with profit margins contracting from 17% in Q2 to below 10% in Q4. Earnings per share (EPS) and return on equity (ROE) peaked in 2022 but weakened thereafter, indicating that cost pressures and financing burdens outweighed revenue stability.

This downward trajectory in profitability aligns with industry-wide trends documented by Daraojimba et al. (2023), who note that post-pandemic network expansion and digital adoption raised operating expenses and depreciation faster than revenues could adjust. Nonetheless, Globe's ability to maintain topline stability signals operational strength within a constrained margin environment.

5.4 Valuation and Sensitivity Analysis

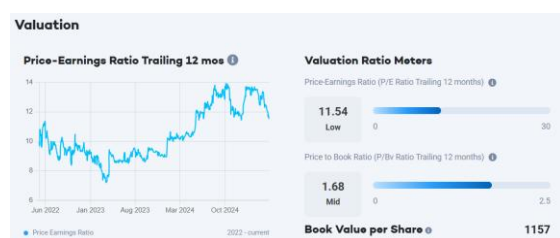


Figure 8. Historical P/E Ratio and Valuation Metrics of GLO from Investagrams (2025, April 30)

Globe's valuation metrics as of April 2025 show a P/E ratio of 11.54 and a P/B ratio of 1.68, situating the stock within the fair value range relative to its historical averages. The Book Value per Share of ₱1,157 suggests that the company trades slightly above its net asset value, consistent with its strong brand equity and recurring cash flows.

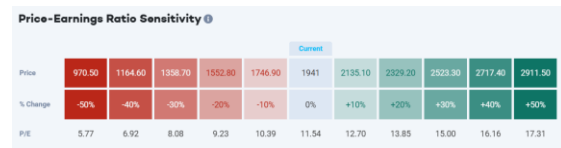


Figure 9. P/E Ratio Sensitivity of GLO from Investagrams (2025, April 30)

The P/E sensitivity analysis illustrates how Globe's valuation would shift under varying price scenarios: a 50% decline in share price would lower the P/E to 5.77, while a 50% increase would raise it to 17.31. This elasticity reflects investor uncertainty and highlights the firm's susceptibility to sentiment-driven fluctuations, particularly when profitability remains under pressure.

5.5 Balance Sheet Structure and Liquidity



Figure 10. Balance Sheet and Liquidity Metrics of GLO from Investagrams (2025, April 30)

Globe's total assets rebounded significantly from approximately ₱100 billion in 2022 to ₱600 billion in 2024, reflecting aggressive network investment. Liabilities stabilized at roughly ₱300 billion, maintaining a debt-to-assets ratio near 0.6. However, liquidity indicators reveal stress: the current ratio of 0.62 signals limited short-term capacity to meet obligations, while a debt-to-equity ratio of 2.78 underscores heavy reliance on borrowings. This leverage structure typifies telecommunications firms in expansion phases but heightens exposure to interest rate and refinancing risks.

5.6 Dividend Policy and Yield Trends

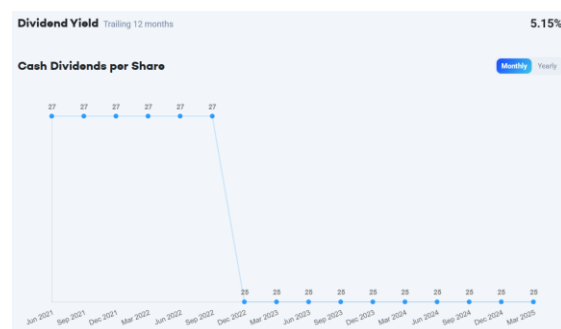


Figure 11. Dividend Yield of GLO from Investagrams (2025, April 30)

Globe maintained consistent dividend payouts from mid-2021 to 2025, though slightly reduced from ₱27 per share to ₱25 per share beginning December 2022. The trailing dividend yield of 5.15% remains attractive relative to local benchmarks, reinforcing Globe’s status as an income stock. Yet, the stability of dividends amid declining earnings suggests that distributions are supported by prior cash reserves or debt, raising questions about long-term sustainability.

5.7 Market Behavior and Technical Indicators



Figure 12. Globe Telecom, Inc. Market Performance and Trading Metrics from Investagrams (2025, April 30)

Technical patterns based on Bollinger Bands and MACD confirm a bearish trend beginning in early April 2025. The stock’s price persistently tested lower bands, indicating continued selling pressure, while a MACD bearish crossover on April 7 signaled downward momentum. The RSI reading of 24.47 placed GLO in oversold territory, suggesting that while a short-term rebound was possible, investor confidence remained fragile.



Figure 13. Trend Snapshot of GLO from Investagrams (2025, April 30)

Trend snapshots show that the short-term (20-day) and medium-term (50-day) windows both declined by 11.53% and 14.49%, respectively, while the long-term (100-day) trend showed a modest 8.27% decline, implying a flattening pattern rather than a sharp recovery.



Figure 14. Support, Resistance Levels, and Moving Average Distance for GLO from Investagrams (2025, April 30)

At the time of analysis, support levels were identified at ₱1,939.50 and ₱1,875.00, while resistance levels stood at ₱2,003.00 and ₱2,246.00. The stock price’s proximity to its first support level indicated potential downside risk if selling persisted.

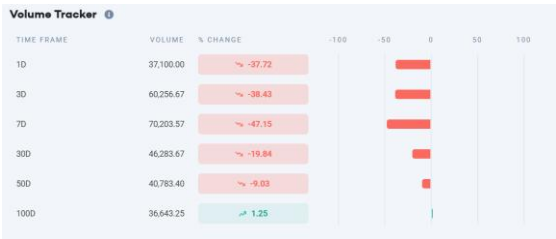


Figure 15. Volume Tracker of GLO from Investagrams (2025, April 30)

Trading volume declined significantly across short-term intervals but stabilized over longer horizons, hinting at a wait-and-see stance among institutional investors.

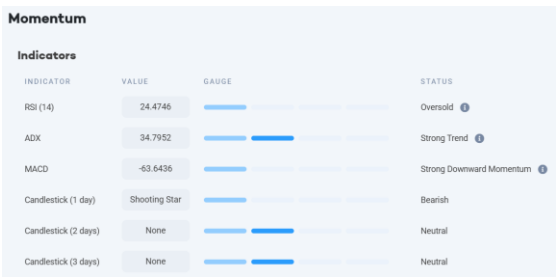


Figure 16. Momentum Indicators for GLO from Investagrams (2025, April 30)

Momentum indicators corroborate weak sentiment: the Average Directional Index (ADX) registered 34.8, denoting a strong trend but in a downward direction. MACD readings remained negative, while candlestick patterns—such as the “shooting star”—reinforced short-term bearish bias.



Figure 17. Volatility Metrics for GLO from Investagrams (2025, April 30)

Volatility metrics showed an Average True Range (ATR) of 2.31%, suggesting moderate price movement per day, while the Bollinger Band Width of 0.19% reflected elevated volatility. These readings collectively signify that Globe’s stock was experiencing pronounced fluctuations without clear directional reversal as of end-April 2025.

5.8 Summary of Quantitative Findings

The integrated results paint a nuanced picture of Globe Telecom’s financial and market position. The firm demonstrates revenue resilience and strong brand equity within a sector crucial to national connectivity and digital transformation. However, profitability erosion, high leverage, and negative market momentum indicate underlying structural vulnerabilities. Valuation metrics position Globe as fairly valued, not undervalued, suggesting that investors remain cautious until clearer evidence of earnings recovery emerges.

Overall, the results converge on a portrait of a resilient but pressured operator—a company capable of sustaining operations and dividends in the near term but facing limited upside potential without improved operational efficiency and financial flexibility.

6. Discussion

The discussion synthesizes Globe Telecom’s fundamental and technical results within the broader competitive and policy environment of Philippine telecommunications. It examines how the company’s financial structure, profitability trajectory, market sentiment, and strategic posture interact to determine its current investment viability. Each thematic cluster corresponds to the major findings from the quantitative analysis and connects them to established theoretical and empirical literature.

6.1 Trading Profile and Market Valuation

Globe Telecom’s share price of ₱1,941 and market capitalization of ₱280.56 billion as of April 2025 place it among the most valuable firms listed

on the Philippine Stock Exchange. The P/E ratio of 12.10 indicates moderate valuation relative to its trailing earnings—consistent with sector averages reported by PricewaterhouseCoopers (2023) for emerging-market telecoms. Investors appear to price Globe as a mature utility-like company, valuing its steady cash flows and dividend yield rather than short-term growth prospects.

This balanced valuation mirrors what Salazar et al. (2024) describe as risk-adjusted equilibrium in services portfolios: when telecom equities reach a point where expected returns are offset by structural capital intensity and low margin elasticity. The absence of a growth premium in Globe’s multiples therefore signals a rational market assessment: profitability is weakening, leverage is high, and operational turnaround is not yet visible in earnings momentum.

Nevertheless, a P/B ratio of 1.68 suggests that investors still assign value to Globe’s intangible assets—its brand equity, customer loyalty, and embedded fintech ecosystem. Consistent with Aaker (1991) and Keller (1993), these intangibles translate to pricing latitude and customer retention, providing the firm with economic resilience even under competitive stress.

6.2 Revenue Growth and Profitability Dynamics

Revenue stability remains Globe’s strongest fundamental asset. Averaging ₱45 billion per quarter in 2024, the topline demonstrates the non-discretionary nature of telecommunications consumption in the post-pandemic economy. Daraojimba et al. (2023) note that across emerging markets, connectivity has become a household utility, creating a demand floor even in periods of macroeconomic uncertainty.

However, the company’s profit margins contracted sharply—from 17 percent in Q2 2024 to below 10 percent by Q4. EPS and ROE peaked in 2022 and declined thereafter. Several interacting forces explain this pattern:

- Rising operating and network costs. The rapid expansion of 5G and fiber networks increased depreciation and financing expenses.
- Competitive pricing pressure. DITO’s market entry intensified price rivalry, eroding average revenue per user (ARPU).
- Customer-acquisition spending. Promotional bundles and handset subsidies

boosted subscriber retention but constrained near-term earnings.

- d. Macroeconomic headwinds. Higher domestic interest rates in 2023–2024 raised Globe’s debt-servicing costs.

These drivers replicate the revenue-profitability paradox described by Hung, Lee, and Ong (2023): traffic and usage expand, but monetization lags because of commoditized data pricing. Unless Globe achieves cost efficiency through automation, digitalization, or differentiated services, margins will continue to compress.

6.3 Balance Sheet Resilience and Leverage Risk

The balance sheet presents a dual narrative of expansion and vulnerability. Total assets rose to ₱600 billion by 2024, reflecting continued infrastructure investment. Yet liabilities stabilized near ₱300 billion, producing a debt-to-equity ratio of 2.78 and a current ratio of 0.62.

Such leverage levels amplify risk, especially when interest rates remain elevated. Mansumittrchai and Park (2020) observed that highly leveraged telecoms in liberalizing economies face refinancing constraints during policy transitions. In Globe’s case, leverage may be justified by long-horizon capital projects, but liquidity thinness limits flexibility. The firm’s capacity to refinance debt or maintain dividends without earnings recovery is therefore constrained.

Esfahani (1994) earlier cautioned that policy unpredictability exacerbates financial fragility in regulated infrastructure sectors. Although reforms such as the Common Tower Policy and the amended Public Service Act have improved capital access (Uy, 2022), execution lags could still affect Globe’s borrowing costs. Thus, deleveraging and cash-flow discipline are essential to restore balance-sheet resilience.

6.4 Dividend Sustainability and Shareholder Returns

Dividend continuity is a central feature of Globe’s investor appeal. From mid-2021 through early 2025, the company paid consistent dividends of ₱25–₱27 per share, translating to a trailing yield of 5.15 percent—competitive against government bonds and time-deposit rates. Yet, the modest reduction from ₱27 to ₱25 signals caution. Sustaining payouts despite weaker profits implies reliance on retained earnings or debt, a practice that Lizares (2018) warns can erode long-term equity value if not matched by profit recovery.

For dividend-oriented investors, the signal is mixed: Globe maintains reliability but at the expense of flexibility. Continued payout commitment provides a psychological price floor, yet without earnings growth it risks becoming a yield trap—an equity that appears generous but masks deteriorating fundamentals. This underscores the need for improved cash-flow management and cost realignment.

6.5 Valuation Sensitivity and Investor Expectations

The P/E sensitivity model underscores Globe’s exposure to sentiment swings. A 50 percent drop in price would halve the P/E to 5.77, while a comparable rise would inflate it to 17.31. These broad valuation bands suggest an investor base still uncertain about the company’s future direction.

The literature on market efficiency in oligopolistic sectors (Uy, 2022; Salazar et al., 2024) posits that telecom valuations adjust slowly to new information because investor expectations hinge on regulatory outcomes and macro liquidity cycles. Globe’s mid-range P/E therefore embodies a “wait-and-see” equilibrium: investors neither punish the firm severely nor reward it with growth premiums until profitability trends reverse or policy clarity improves.

6.6 Market Behavior and Technical Indicators

Technical indicators as of April 2025 reinforce the cautious sentiment inferred from fundamentals. The Bollinger Bands show prices hugging the lower band amid widening volatility—an indicator of persistent selling pressure. The MACD bearish crossover on 7 April 2025 and a sustained negative histogram confirm downward momentum, while an RSI of 24.47 denotes oversold conditions without immediate reversal confirmation.

Volume analysis further reveals contracting participation in short intervals and gradual stabilization in longer windows, suggesting that institutional investors are remaining on the sidelines. The ADX reading of 34.8 indicates that the trend—though downward—is strong and self-reinforcing, while ATR and Bollinger width metrics reveal a market prone to sharp but non-directional swings.

Together these patterns characterize what technicians call a “bearish consolidation phase”: sellers dominate, but exhaustion signs are emerging. In Globe’s context, this phase likely represents investors waiting for evidence of financial stabilization before re-entry. The scenario echoes

Salazar et al.'s (2024) observation that telecom equities often oscillate within valuation corridors until dividend assurance or earnings recovery catalyzes a breakout.

6.7 Strategic Differentiation and Fintech Integration

Beyond financial ratios, Globe's strategic evolution through GCash integration remains its defining advantage. By embedding a leading fintech platform into its ecosystem, the firm has effectively redefined its customer relationship model. In Aaker's (1991) and Keller's (1993) frameworks, such integration transforms brand equity into a monetizable asset: trust in connectivity services extends to financial transactions, creating daily relevance and reducing churn.

Empirical studies confirm this link. Desta and Amantie (2024) demonstrated that customer satisfaction significantly moderates the relationship between brand equity and loyalty in telecom services, reinforcing the economic value of perceived reliability. GCash, now serving over 80 million registered users, enhances Globe's brand power by linking communication, payment, and credit functionalities within a single digital experience.

However, fintech convergence also introduces new regulatory dependencies. Uy (2022) warns that financial-data governance remains fragmented between telecommunications and banking regulators, exposing firms like Globe to compliance ambiguity. Managing this dual exposure—while leveraging fintech profitability—will determine whether Globe's ecosystem translates into sustained shareholder value or becomes a regulatory burden.

6.8 Integrated Interpretation

When the quantitative and qualitative results are combined, Globe's current standing can be summarized as a resilient yet pressured operator. The company enjoys enduring brand strength, stable revenues, and strategic differentiation through fintech, but these advantages coexist with declining profitability, high leverage, and negative technical sentiment.

This paradox exemplifies the structural condition of Philippine telecommunications described by Lizares (2018) and Patalinghug & Lizares (2017): a concentrated market with limited growth elasticity, where incumbents must

continuously innovate to offset financial rigidity. Globe's neutrality in both valuation and momentum metrics reflects investor recognition of its strengths but skepticism about near-term earnings recovery.

In investment terms, the evidence supports a neutral stance—retain existing holdings to benefit from dividend yield, but defer new accumulation until clear improvement in profitability and liquidity ratios is observed or until technical indicators signal reversal (RSI normalization, MACD bullish cross, sustained break above ₱2,003 resistance).

For management, the findings highlight three imperatives:

1. Operational efficiency and cost optimization to restore margins;
2. Deleveraging to lower risk exposure and regain flexibility; and
3. Monetization of digital ecosystems—particularly GCash—to convert engagement into recurring, high-margin income.

For policymakers, the analysis underscores the need for consistent implementation of liberalization policies and transparent spectrum management to maintain investor confidence. Stable regulation not only protects consumers but also allows firms like Globe to plan capital expenditures over long horizons without policy-induced uncertainty.

6.9 Synthesis

In essence, Globe Telecom's situation encapsulates the dual challenge facing telecom operators in emerging economies: balancing technological progress and financial sustainability. The company's strategic initiatives—5G rollout, fiber expansion, fintech integration—position it as a long-term enabler of the digital economy. Yet, the path to renewed profitability depends on how effectively these initiatives translate into cash flow and margin recovery.

The findings reinforce the broader literature's conclusion that in capital-intensive, oligopolistic sectors, resilience does not equate to growth. Sustained investor value will arise only when operational discipline converges with innovation to generate scale efficiencies. Globe stands well-placed to achieve this equilibrium, provided it executes cost control and leverages its ecosystem advantage while navigating a competitive and policy environment that remains in flux.

7. Conclusion and Recommendations

7.1 Conclusion

This study evaluated the financial performance and market viability of Globe Telecom, Inc. through an integrated framework combining industry review, fundamental financial analysis, and technical market indicators. Using data from 2020 to 2025 and performance metrics current as of 30 April 2025, the analysis revealed that Globe remains a resilient yet pressured operator within the Philippine telecommunications landscape.

The fundamental analysis showed that revenues have remained stable—averaging ₱45 billion per quarter in 2024—demonstrating the inelastic demand for connectivity in a digitalizing economy. However, profitability has weakened as margins declined from 17 percent to below 10 percent, and both earnings per share and return on equity softened after 2022. The company's debt-to-equity ratio of 2.78 and current ratio of 0.62 signal liquidity stress and limited financial flexibility. Although dividend payouts of ₱25 per share sustained an attractive 5.15 percent yield, this performance is increasingly dependent on leverage rather than earnings growth.

The technical analysis corroborated these fundamentals. Persistent MACD bearish crossovers, an RSI of 24.47, and expanding Bollinger Band volatility indicated a prolonged downtrend and investor caution. The stock's proximity to support levels suggests that while downside may be limited in the short term, a confirmed reversal has yet to materialize.

Taken together, the findings describe Globe as a mature, income-oriented equity with strong brand equity and strategic differentiation through GCash but constrained by high capital intensity and subdued profit recovery. The evidence supports a neutral investment stance—hold existing positions for dividend income, but postpone new accumulation until financial indicators strengthen and technical momentum turns positive.

7.2 Recommendations

For Investors

Maintain a Hold Position. Continue holding Globe shares to benefit from dividend yield but avoid fresh entry until profitability and liquidity ratios improve or bullish technical signals emerge (RSI > 30 and MACD bullish cross).

Monitor Dividend Coverage. Track the ratio of free cash flow to dividend payouts; a deterioration below one signals potential cuts.

Diversify Sector Exposure. Balance holdings by including other ICT or infrastructure equities to offset concentration risk inherent in a capital-intensive telco.

Adopt Scenario-Based Triggers. Re-evaluate positions if net margins recover to ≥ 12 percent, debt-to-equity falls below 2.0, or price action sustains a breakout above ₱2,003 resistance on rising volume.

For Management

Enhance Operational Efficiency. Implement cost-discipline initiatives across network operations, logistics, and customer service through automation and analytics-driven process redesign.

Deleverage the Balance Sheet. Prioritize repayment or refinancing of high-cost debt and explore asset-light models such as tower-sharing and infrastructure partnerships to release capital.

Monetize GCash and Digital Platforms. Deepen fintech revenue through lending, insurance, and merchant solutions while pursuing regional scalability to convert engagement into high-margin income.

Strengthen Brand and Service Quality. Reinforce reliability and customer experience to maintain trust—the intangible driver of Globe's valuation premium.

Institutionalize Risk and Sustainability Governance. Integrate ESG and data-protection frameworks that align with emerging regulatory expectations for digital finance convergence.

For Policymakers and Regulators

Ensure Regulatory Stability. Sustain transparent spectrum allocation and consistent enforcement of the Common Tower Policy to encourage infrastructure sharing and investment continuity.

Facilitate Capital Access. Operationalize the Public Service Act (RA 11659) provisions on foreign participation and streamline permit procedures to attract long-term funding.

Promote Fair yet Rational Competition. Balance consumer-price protection with incentives for quality and innovation to prevent destructive price wars.

Strengthen Fintech Oversight. Develop unified standards between telecommunications and financial regulators for data security, interoperability, and digital-wallet governance.

For Future Research

Further inquiry may extend this analysis through:

- Comparative Peer Studies of PLDT and DITO to establish industry-wide efficiency benchmarks;
- Time-series Forecasting of Globe's post-2025 profitability using econometric or machine-learning models;
- Customer-centric Analyses on how fintech usage and brand perception affect ARPU and churn; and
- Macroeconomic Linkages examining how exchange-rate and interest-rate cycles influence telecom capital structures.

7.3 Final Synthesis

Globe Telecom's current trajectory epitomizes the structural paradox of Philippine telecommunications—an industry that is indispensable, capital-intensive, and technologically progressive yet financially constrained. The firm's strengths in brand trust and fintech innovation position it well for long-term relevance, but its immediate challenge lies in translating these advantages into renewed profitability and sustainable shareholder value.

For investors, prudence remains the rational strategy; for management, disciplined execution is imperative; and for policymakers, predictable regulation is essential. Globe's path forward will depend on how effectively these three stakeholders align to transform the company's digital ecosystem leadership into enduring financial strength.

8. Implications and Practical Contributions

This study contributes both to managerial practice and investment analysis by demonstrating how an integrated fundamental–technical framework can evaluate the financial sustainability

of telecommunications firms in emerging markets. Unlike conventional single-lens studies, this approach links industry structure, corporate strategy, and market sentiment into a unified diagnostic model.

For managers, the findings offer evidence-based priorities: enhance cost efficiency, manage leverage, and monetize digital ecosystems like GCash to transform brand equity into cash-generating assets. For investors, the paper provides a replicable analytic process that interprets balance-sheet signals alongside real-time market indicators, enabling more informed hold or entry decisions. For policymakers, it underscores the interdependence between regulatory stability and firm-level financial performance, validating the role of consistent policy execution in sustaining sector competitiveness.

Academically, the study extends the literature on telecommunications strategy by operationalizing the interaction between brand-driven differentiation and financial resilience under capital constraints. It serves as a practical model for future research examining the convergence of telecommunications, fintech, and investment behavior in developing economies.

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